



**U.S. Department of Justice
U.S. Attorney's Office
Western District of Texas**

Johnny Sutton, U.S. Attorney

FOR IMMEDIATE RELEASE

November 29, 2005

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ODESSA ATTORNEY SENTENCED ON TAX CHARGES

United States Attorney Johnny Sutton announced today that Stephen C. Ashley of Odessa, Texas, was sentenced to two years in federal prison and fined \$5,000 for filing a false United States Estate Tax Return and unlawfully conspiring with other individuals to defraud the Internal Revenue Service in its efforts to collect estate taxes. In addition to the prison term and fine, United States District Judge Robert Junell ordered that Ashley be placed under supervised release for a period of two years after completing his prison term.

Stephen Ashley was the executor of his father's estate and assumed responsibility for filing all pertinent tax documents with the IRS concerning the estate's affairs. By pleading guilty to the charges on August 11, 2005, Stephen Ashley admitted that during the preparation of the tax return of his father's estate he directed his secretary to type four (4) backdated Gift Deeds falsely reflecting that his father, Connell D. Ashley, had deeded a certain portion of a ranch he owned to his sons in 1989, 1990, 1991, and 1992, when in fact his father had not truly begun to deed portions of the ranch to him and his brothers until 1993. He also had his father's former secretary forge his signature on the false deeds and had false notary records created.

In 2002, the IRS began an audit of the estate return, and requested documentation to support some of the claimed deductions and expenses. In October 2002, Stephen Ashley had his certified public accountant submit to the IRS copies of the four fraudulent gift deeds, as well as a fraudulent "maintenance contract," as proof of the return's accuracy. Further, Stephen Ashley admitted lying to the IRS about the fraudulent deeds and later directing his secretary to lie to IRS agents investigating the case.

This case was investigated by the Internal Revenue Service, Criminal Investigation Division. Assistant United States Attorney John Klassen prosecuted this case on behalf of the Government.

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